Dear Bruin Community:

Chancellor Frenk and I would like to provide you with an update on UCLA's budget for the 2025–26 fiscal year for campus accounts, excluding UCLA Health.

Based on approved spending plans and current planning assumptions, UCLA's closing deficit on central accounts for FY26 is projected at approximately $220 million.

You may have seen previous references in the media to a higher deficit figure. That projection included uncommitted funds: spending requests that had not yet been approved and did not therefore reflect UCLA's projected closing deficit on central accounts. Importantly, we are also working with academic and administrative units across the campus to understand shortfalls that require attention beyond our central account. This process is ongoing and requires parsing out of recurring deficits from one-time shortfalls and also requires us to look beyond 2025–26 to incorporate plans for deficit reductions that may already be underway.

I have been working closely with our campus budget and planning team, controller's office, treasury and with the UC Office of the President to carefully review our assumptions, spending plans and projections.

Last November, Chancellor Frenk created the Executive Budget Action Group (EBAG) — which he chairs — to provide institutional leadership and coordination around the financial principles and budgetary decisions that will shape UCLA's path forward. I recently shared the analysis of our projected central closing deficit with EBAG and with the Council on Planning and Budget.

Like many public universities, UCLA is facing financial pressures driven by curtailed state funding levels, rising operating costs that outpace revenue, and an unprecedented attack on higher education. These challenges are serious and require difficult decisions, but they also provide an opportunity to sharpen our priorities and invest more strategically in our future.

We are exploring new revenue opportunities while we identify areas that require immediate efficiencies to ensure the prioritization of our core teaching, research and service mission. While it will not be realistic for us to fully close the budgetary gap within one or even two years, my goal is to clearly delineate a path and timeline toward a balanced budget. Adjustments to some areas of our budget will need multi-year planning, while others do require immediate action. A robust partnership between our administration, the Academic Senate and staff members across the university will be essential as we carry out this important work.

As many of you know, I have been at UCLA for more than 28 years, most recently as senior associate dean for finance and administration in the UCLA College, before assuming my current role as interim CFO. I understand the importance of shared governance and of a structured and deliberate approach to problem-solving. I wanted you to hear directly from me, with deep recognition that you each bring something to UCLA — through your teaching, your research, your learning, your work — and therefore carry a personal stake born out of concern and love for UCLA. It matters to me that your contributions are valued and your voices are heard.

You can find answers to FAQs regarding our financial situation on our EBAG page. At Chancellor Frenk's request, I will be sharing updates as our budget planning continues and we make progress.

Sincerely,

Reem Hanna-Harwell
Interim Vice Chancellor and Chief Financial Officer

UCLA

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